

VZCZCXRO8055
PP RUEHAG RUEHROV RUEHSR RUEHTRO
DE RUEHLO #0452/01 0511416
ZNY CCCCC ZZH
P 201416Z FEB 09
FM AMEMBASSY LONDON
TO RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHC/SECSTATE WASHDC PRIORITY 1443
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHGG/UN SECURITY COUNCIL COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1375

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 000452

NOFORN
SIPDIS

E.O. 12958: DECL: 02/20/2019
TAGS: [EFIN](#) [KTFN](#) [ETTC](#) [UNSC](#) [UK](#)
SUBJECT: UK STUDYING RANGE OF OPTIONS FOR 1267 SANCTIONS
REVIEW; UNDER LOGISTICAL AND LEGAL PRESSURE

Classified By: Kathleen Doherty, Acting Econ Minister Counselor, for reasons 1.4 b&d

¶1. (C/NF) Summary: The UK is actively considering a wide range of options for the upcoming 1267 Review, from doing nothing and allowing last year's changes from UNSCR 1822 to fully come into effect, to studying the proposal for an independent review body. A challenge for the UK and the U.S., FCO officials told us, is to convince other EU Member States and the broader public of the effectiveness of sanctions. HMG plans to let their request for a blanket humanitarian exemption in the 1267 Committee sit quietly for the time being, hoping no rift develops between the U.S. and UK on one side, and France on the other. End Summary.

1267 Review

¶2. (C/NF) HMG is currently studying options for the 1267 review and annual reauthorization process, before consulting with the U.S. and France, FCO officials told us. Their priorities are to identify end-goals, pragmatically evaluate which goals are achievable, and determine what approaches would avoid censure by the European Court of First Instance. HMG is studying all options: i.e, will the changes from last year's 1822 resolution be sufficient to put off the courts once fully implemented, to the Swiss proposal for a independent review body. On the latter, HMG claims it is objectively reviewing whether the proposal would work, and if so, how effective it would be in the long term. FCO officials stressed they are neither for nor against the proposal at this point.

¶3. (C/NF) The UK is also looking into precedents for sharing restricted information with the UN, as happened with Kosovo, and whether there have been other independent review bodies related to the UN system. The government is studying the Watson Institute's 2005 paper on setting up a panel, asking if an independent review body would end up deterring listings, and questioning whether the current committee voting process is working effectively. They noted the committee now takes decisions on consensus, but wondered if a simple majority vote might be more effective - particularly in de-listing cases where Russia is singularly holding up requests. Key to all their deliberations is how the European Court of Justice's decision in the Yassin Qadi case will continue to ripple through UK and EU asset-freezing regimes. Some in the EU are using the Qadi case to try for extra measures in the next resolution, FCO officials told us.

Effectiveness of Sanctions

¶4. (C/NF) A common theme running through the British sanctions community recently is a desire to weigh the use of

resources against the effectiveness of sanctions. There is a slight disconnect, however, when we discuss how the UK's advocacy of tighter country sanctions, such as in the Sudan and Liberian cases, will also impose heavier work loads - primarily on the UK and U.S. bureaucracies. When pressed, British officials claim they understand that following the UNSCR 1822 model in other cases will require more effort, but explain the improvements made to the 1267 Al Qaeda and Taliban regimes should be applied to all other sanctions regimes, or else it will risk those processes eventually falling to court decisions.

15. (C/NF) Many of the UK's EU partners do not share their view that sanctions are effective overall, the FCO told us. There is skepticism across the board about sanctions - more so on country sanctions rather than in the terrorist finance field. The EU countries raise human rights (i.e., due process) and trade concerns as problems in the implementation of various regimes. In addition, the European press creates the false impression sanctions hurt the people on the ground, especially in countries like Zimbabwe, FCO officials told us. They also mentioned how Saddam Hussein successfully exploited misunderstandings of the Iraq sanctions regime to his benefit. HMG believes the 1267 regime is under less scrutiny from the press and NGO community because "even human rights groups don't want to stand up for terrorists". But courts are becoming bolder in threatening the AQ/Taliban asset-freezing regime. The UK officials said they explain to critics that if sanctions regimes are removed, it moves up the timetable for military options.

UK Blanket Exemption

LONDON 00000452 002 OF 002

16. (C/NF) On the surface of all UK considerations is a need to consider the impact of any sanctions regimes on their scant resources. Russia and France both told the UK they were unhappy with HMG's request for a blanket exemption on humanitarian license requests to the 1267 Committee. But HMG feels they are struggling under a heavy load - they calculate the UK provided 90% of exemption requests to the 1267 Committee in 2008. Court complaints about HMG delays in processing requests, resource constraints, and the U.S. example of a 2003 letter similarly requesting an exemption led the UK to believe now was the time to act, FCO officials told us. But after the dust-up at the UN, the UK is still muddling through how to resolve this issue, especially given Russian and Chinese knowledge of the UK's 2007 position. HMG particularly fears a rift between the U.S. and UK on one side, and France on the other. For now, they have decided to go slow and hope time helps them come up with a solution.

17. (C/NF) Comment: In our view, the British government remains fully committed to the robust use of sanctions as a tool - both in the fight against terrorism and in affecting countries' behavior. The UK will continue to be among our strongest allies in multilateral fora advocating for stronger, targeted sanctions. Our challenge, however, will be to balance our shared goals against a UK - and broader EU - concern over cost-benefit analyses of whether sanctions are effectively working, and the increasingly aggressive UK and European courts which question the legality of proceedings and sufficiency of evidence presented. The British government understands the need to balance legal and operational security concerns; UK courts are increasingly focused on only the legal aspects.

Visit London's Classified Website:
[http://www.intelink.sgov.gov/wiki/Portal:Unit ed_Kingdom](http://www.intelink.sgov.gov/wiki/Portal:Unit%20ed_Kingdom)

LEBARON